

**MINUTES OF THE MEETING BENBROOK  
REINVESTMENT ZONE NO. 1  
TAX INCREMENT FINANCE BOARD OF DIRECTORS  
WEDNESDAY,  
NOVEMBER 14, 2018**

The special called meeting of the Benbrook TIF Board of Directors was held on Wednesday, November 14, 2018 at 4:00 p.m. in the Central Conference Room at 911

Winscott Road with the following Board members present:

Larry Marshall  
Jim Hinderaker  
Hayes Lewis  
Mark McClendon  
Scott Rule

Also Present:

Donna Savage, Recording Secretary  
Sherri Newhouse, Budget Director  
Rick

**I. CALL TO ORDER**

The meeting of the Benbrook TIF Board of Directors was called to order at 4:00 p.m. by Chair Larry Marshall.

**II. APPROVE MINUTES OF DECEMBER 7, 2017**

Motion by Mr. Scott Rule to approve the minutes from December 7, 2017 seconded by Mr. Lewis.

Ayes: All  
Noes: None

Motion carried unanimously.

**III. REVIEW AND APPROVE ANNUAL REPORT FOR PERIOD ENDING  
SEPTEMBER 30, 2018**

Jim Hinderaker gave the following report: The Benbrook TIF Number 1 was created in November 2002, which established the taxable value of \$27,190,150 in January 1, 2002 as the base value

for the TIF. The net taxable increment in January 2003 (Year 1) was \$4,816,416, resulting in TIF revenues of \$66,393.10. The largest increase was the completion of the Railroad Controls, Inc. facility in Benbrook Industrial Park (\$3,078,605). The January 2004 (Year 2) net taxable increment decreased to \$1,475,984, with projected TIF revenues of \$20,346. This decrease was primarily the result of the purchase of the Railroad Controls facility by the Benbrook EDC, removing it from the tax rolls, for the purpose of entering a lease-buyback arrangement with Railroad Controls. The tax appraisal for January 2005 (Year 3) indicated a net taxable increment of \$9,566,796. The Benbrook EDC purchased approximately 80 acres in the TIF District for a total price of approximately \$3.863 million, removing this land value from the tax rolls; however, increases in the taxable values of other properties offset the removal of BEDC property from the tax rolls.

The net taxable increment as of January 2006 (Year 4) was \$20,108,225, of which \$9,372,477 was the result of new construction, much of which was associated with the residential development north of Walnut Creek (La Bandera Phase 3.) The net taxable value increment of the TIF as of January 2007 (Year 5) was \$28,873,037, with \$8,324,605 in new construction (again most in La Bandera Phase 3.) The net taxable value increment of the TIF as of January 2008 (Year 6) was \$46,716,035, with \$9,614,170 in new construction, including new buildings for Weatherford International (\$3.8 million), Best Western (\$1.3 million) and additional residential construction in La Bandera and Brookside Additions. The net taxable value increment of the TIF as of January 2009 (Year 7) was \$53,775,584, with \$4,027,969 in new construction, including a new building for Weatherford International (\$2.1 million) and residential construction in La Bandera and Brookside Additions. The net taxable value increment of the TIF as of January 2010 (Year 8) was \$55,271,055, with \$2,796,930 in new construction including the 7-Eleven on the corner of Benbrook Boulevard and I-20 and additional residential construction in Brookside Addition. The net taxable value increment of the TIF as of January 2011 (Year 9) was \$69,975,722, with \$15,071,926 in new construction including the new Walmart on Benbrook Boulevard and continued residential construction in the Brookside Addition. The net taxable value increment of the TIF as of January 2012 (Year 10) was \$85,969,048, with \$11,021,310 in new construction including the new Gardner-Denver and Doctor's Home health buildings in the Industrial Park; Panda Express, Chick-fil-A and Chase Bank on Benbrook Boulevard and continued residential construction in the Brookside Addition. The net taxable increment as of January 2013 (Year 11) was \$94,333,614, with \$6,134,484 in new construction

consisting of Taco Villa, Chisholm Trail Dental, Golden Chick, and new home construction in Brookside Addition. The net taxable increment as of January 2014 (Year 12) was \$97,439,818, with new construction of NuEnergy, a professional building adjacent to Walmart and new home construction in Brookside Addition. The net taxable increment as of January 2015 (Year 13) was \$104,225,495, with \$1,740,101 in new construction consisting of office development along Mercedes Street and new home construction in Brookside Addition. The net taxable increment as of January 2016 (Year 14) was \$105,070,553, with \$1,759,381 in new construction consisting of improvements at Walmart, office development along Mercedes, and new home construction in Brookside Addition. The net taxable increment as of January 2017 (Year 15) was \$134,415,196\*, with \$97,568\* in new construction. \*(Corrections from

2017-01 annual report) B. Current Year

(October 1, 2017 - September 30, 2018)

The net taxable increment as of January 2018 (Year 16) was \$144,252,563, with \$10,462,678 in new construction consisting primarily of new home construction in Brookside Addition.

### TIF District Revenues and Expenses

The TIF District has had the following revenues and expenses for the year ending September 30, 2018:

Balance forward from September 30, 2017	\$3,448,331.31
Payments from TIF Partners	\$1,467,956.48
Interest	<u>\$12,083.29</u>
Total Revenues	\$1,480,039.77
Total Available	\$4,928,371.08
Accounting Fees	0.00
Debt service/issuance	\$499,719.00
Reimbursement to BBT	\$398,093.43
Walnut Creek Flood Study	\$203.02
Benbrook Field Drive	\$4,368.00
Benbrook Field Access Drive	\$50,442.76
Vista Way Engineering	\$73,411.18
Vista Way Construction	<u>\$67,783.75</u>
Total Expenses	\$1,094,021.14

Balance as of September 30, 2018 \$3,834,349.94

In late 2003, the TIF Board and City Council authorized the sale of up to \$350,000 in certificates of obligation to cover the costs through September 2004; however, staff determined that it was best to borrow these funds from unappropriated city reserves to be paid back by the TIF rather than to issue debt. This interest-free loan was repaid in full during 2009. In June 2005, the City Council authorized a loan of up to \$3 million to the TIF from City reserves, but determined that they preferred to issue Certificates of Obligation rather than to continue to decrease their reserves, so \$2.5 million in COs was sold on August 4, 2005. In April 2012, the TIF issued \$1,280,000 in 10- year certificates of obligation at a 1.79% interest rate. Deducting the \$30,000 in issuance costs left \$1,250,000 for reimbursement to BBT Crossing. In June 2014, the TIF issued additional certificates of obligation for a period of eight years at 1.72% interest. Deducting \$27,963.75 in issuance expenses left \$1,147,036.25 for reimbursement to BBT Crossing.

Outstanding liabilities (as of 10/1/2018):

2005 Certificates of Obligation	
Principal & Interest remaining	\$610,887.00
Annual (2019) debt service \$202,014	
(includes \$185,000 principal)	
2012 Certificates of Obligation	
Principal & Interest remaining	\$559,601.00
Annual (2019)	
debt	
service	
\$138,50	
3	
(include	
s	
\$130,00	
0	
principal	
)	
2014 Certificates of Obligation	
Principal & Interest remaining	\$631,156.00
Annual (2019)	
debt	
service	
\$159,20	
2	
(include	
s	
\$150,00	

0  
principal  
)

Loan from City reserves	<u>\$0.00</u>
Total liabilities	\$1,801,644.00

Motion by Mr. Lewis, seconded by Mr. Rule to Approve Annual Report for Period Ending September 30, 2018.

Ayes: All

Noes: None

Motion carries unanimously

#### **IV. REVIEW OF ON-GOING TIF PROJECTS AND OTHER DEVELOPMENT ACTIVITY**

##### Status of Ongoing Projects

##### A. Benbrook Field

Jim Hinderaker gave the following report; The Developer Participation Agreement with Benbrook Towne Crossing (now known as Benbrook Field) was executed in September 2005, under which the TIF reimburses certain development costs up to a maximum of \$8.5 million from the increased taxes generated by their project. Work began on the first phase of the project in May 2006 and was completed in March 2007.

BBT Crossing, Ltd. exercised their option to purchase 80 acres in Benbrook Field from the Benbrook Economic Development Corporation (EDC) in August 2009 at cost. This action had two effects on the TIF District: 1) it removed the tax-exempt status on the property, which aided the generation of a taxable increment and 2) it removed the Benbrook EDC as a partner in the Benbrook Towne Crossing TIF Developer Agreement.

An initial request for reimbursement was received from BBT Crossing, Ltd. on October 27, 2009, in the amount of \$5,043,529.99 (including \$876,181.33 in interest.) After a detailed review by the auditor, the TIF Board determined in March 2011 that the maximum reimbursement to BBT for Phase 1 would be \$3,999,471, plus any eligible interest accrued since October 2009.

Based on the final 2012 tax rolls, the Benbrook Field project was reimbursed \$234,749.27 in May 2013. In May and June 2014, BBT Crossing was reimbursed a total of \$1,478,728.03, which included their regular TIF revenue plus the net proceeds of an additional certificate of obligation issuance. BBT was reimbursed \$189,952.27 in May 2015. BBT was reimbursed \$213,237.00 in May 2016, which resulted from their total increment of \$576,478.75 less \$66,208.75 for the Walnut Creek sewer line share, \$140,349.00 for the 2012 CO payment, and \$156,684.00 for the 2014 CO payment. BBT, while eligible for a maximum reimbursement of \$228,259.42 was reimbursed \$208,530.41 in July 2017, which resulted from their total increment of \$591,813.17 less \$66,208.75 for the Walnut Creek sewer line share, less the \$138,112.00 for the 2012 CO payment, less the \$159,233.00 for the 2014 CO payment, and less \$19,729.01 of unapplied accrued interest.

The following is a summary of reimbursements to date:

Maximum eligible reimbursement	\$3,999,471.00 (plus interest acc
Reimbursements to date	
June 7, 2010	\$53,665.77
June 6, 2011	86,392.38
May 31, 2012	1,534,215.87
May 21, 2013	234,749.27
May 20, 2014	331,691.78
June 24, 2014	1,147,036.25
May 20, 2015	189,952.27
May 19, 2016	213,237.00
<u>July 28, 2017</u>	<u>208,530.41</u>
Total	\$3,999,471.00
Remaining eligible for reimbursement	\$0.00 (plus accrued inte

The above noted reimbursements were deducted directly from the maximum eligible reimbursement amount without inclusion of accrued interest calculations. To establish the "plus accrued interest" amount, the city engaged the services of Weaver and Tidwell, L.L.P., an independent auditing firm, who prepared an audit report dated August 13, 2018 (see attached Exhibit A) wherein said reimbursement payments were subtracted from the principal and accrued interest balance in accordance with standard accounting practices established by the American Institute of Certified Public Accountants. As provided in said report, accrued interest calculations were determined by multiplying the outstanding debt balance related to the TIF by the interest rate on the total debt on a daily basis from inception to

October 31, 2009. The report also reviewed the mathematical accuracy of the city's reimbursement payments and the break out of principal versus interest since October 31, 2009. Based on the final 2017 tax rolls, BBT was reimbursed \$398,093.43 in July of 2018, which resulted from their total increment of \$742,142.17 less \$66,208.75 for the Walnut Creek sewer line share, less \$140,830.00 for the 2012 CO payment, less \$156,739.00 for the 2014 CO payment, and PLUS \$19,729.01 for underpayment of the 2016 tax increment of unapplied accrued interest.

B. Other Development Activity

*Benbrook Boulevard* - Reconstruction of Benbrook Boulevard, which began in September

2014, is nearly complete. Staff anticipates completion of the right turn lanes, crosswalks, sidewalks, and accessibility ramps at Benbrook Boulevard and Mercedes, the accessibility ramps at Benbrook Boulevard and Sproles, and the sidewalk along the sound wall north of Lakeway by mid/late-November. Other outstanding items include the installation of one remaining signal pole at the intersection of Benbrook Boulevard and Benbrook Field Drive and the installation some conduit and electrical boxes/meters behind 7/Eleven. The final electrical work is expected to be completed by late December, which is needed for the Benbrook Boulevard and Benbrook Field Drive signal to be operational, which in turn will allow Benbrook Field Drive and the Benbrook Field Access Drive to be opened and fully operational. Following completion of these items and weather permitted, the city will move forward with the installation of irrigation, landscaping and wayfinding signage along the corridor.

*Vista Way* - The design the Vista Way extension from Mercedes Street to the IH-20 Service Road began in April 2016. The project includes extending the roadway, retaining wall and decorative guard rail, sidewalks, water, sanitary sewer and storm drains. On August 16,

2018, City Council awarded the Vista Way construction contract to Jackson Construction. The project is scheduled to be completed in approximately one year.

*NW Winscott Property Sewer Extension* - The Benbrook Economic Development Corporation (BEDC) approved an Interlocal Agreement with Benbrook Water Authority (BWA) at their January 17, 2017 regular meeting, which was subsequently ratified by the City Council, for the extension of a new sewer line to serve the properties located east of Benbrook Boulevard and between I-20 and Old Benbrook Road. Construction of the new sewer line has begun. The sewer line

will provide enough capacity to serve proposed commercial development of BEDC's 12.6 acres, the adjacent 3.2 acres to the west, and 13+ acres of undeveloped commercial parcels to the west of U.S. 377, thus potentially spurring development all along this prime I-20 frontage.

*Benbrook Animal Shelter, 469 Winscott Road* - The new Benbrook Animal Shelter, located

at 469 Winscott Road in front of the Public Works facility, is nearing completion. The shelter features a ranch-style construction with a metal roof and includes 3,000 square feet of interior space along with 1,300 square feet of covered outdoor dog runs. The facility also includes a fenced and covered sally port to load and unload animals and supplies. City Council awarded the construction contract to Hasen construction on September 21, 2017.

*Gateway Center – Multi-Tenant Commercial Center* - Construction of the new multi-tenant commercial building at the corner of I-20 and Benbrook Boulevard (US 377) was completed in December 2017. Via an executed agreement, the Benbrook Economic Development Corporation (BEDC) required the developer to reserve a restaurant "shell" as part of the mixed-use Gateway Center development. This summer, the BEDC and City Council approved an infrastructure and development incentive package with Hoffbrau Steak and Grill.

*Lonestar Electric Supply, 7340 Hawkins Center Drive* - Construction has begun of an approximately 41,000sqft electrical supply warehouse located at 7340 Hawkins Business Center, generally located north of I.H. 20/820 and east of Hawkins Center Drive.

*Raising Cane's, 8506 Benbrook Boulevard* - Raising Cane's, a new fast-food chicken restaurant, opened for business on October 30, 2018. The restaurant, located on the old Whataburger site at 8506 Benbrook Boulevard, has a sit down dining room and drive through.

*Audi Dealership, 7300 IH-20* - Audi proposes to construct and operate a new automobile dealership and inventory lot at 7300 IH-20 (northeast corner of the IH-20 frontage road and Hawkins Center Drive).

*Footworks, 9191 Vista Way* – The development team for Foot Works dance studio submitted plans in March to relocate their existing business (9460 Benbrook Blvd.) to an undeveloped one-acre tract located at 9191 Vista Way. The owner proposes

construction of a new approximately 10,000sqft dance studio, parking lot and landscaping.

*Aura Benbrook Apartments, 301 Mercedes Street* - Trinsic Acquisition Company, LLC submitted civil and architectural plans in July, 2018 for the proposed 301-unit multi-family development located on 17.9-acres at the northeast corner of Mercedes Drive and Vista Way.

*Brookside Four Addition* – On February 8, 2018, the Planning and Zoning Commission approved a preliminary plat for Brookside Four Addition, a single-family residential development located behind Walmart. As approved, 10 of the proposed 49 residential lots are located within the TIF No.1 boundary.

No action taken.

## **V. ADJOURN**

Meeting adjourned at approximately 4:25 pm.

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Chair Dr. Marshall

